

## CORE COURSE – II

**Subject: CORPORATE ACCOUNTING-II**

**Course Code:**

**242 Total Credits: 03**

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### Preamble

In the modern economic environment the corporate sector is one of the major contributors towards GDP of any country and is also one of the largest and fastest growing sectors for providing employment opportunities. In the last decade the corporate sector has seen a massive growth in economic terms i.e. the volume of turnover, income and expenses etc. and also in terms of expansion of business across the globe. Accounting plays a vital role in this growth and to ensure safeguard of the interest of the stake holders and the society at large. It is therefore important to educate the students of commerce in the accounting practices adopted by the corporate organizations.

### Objectives of the course

1. To acquaint the student with knowledge of corporate policies of investment for expansion and growth through purchase of stake in or absorption of smaller units.
2. To develop the knowledge among the student about consolidation of financial statement with the process of holding.
3. To update the students with knowledge of the process of liquidation of a company
4. To introduce the students with the recent trends in the field of accountancy

### Depth of the program – Fundamental Knowledge

| Unit No. | Unit Title                      | Contents   | Purpose Skills to be developed  |
|----------|---------------------------------|--|---|
| 1.       | <b>Holding Company Accounts</b> | Calculation of Capital Profit, Revenue profit, Cost of Control.<br>Preparation of consolidated Balance sheet of Holding Company with one subsidiary only. Adjustment of intercompany transactions, unrealized profit of stock. | <ul style="list-style-type: none"><li>• Conceptual Understanding of Holding Company Accounts</li><li>• Practical Application skills</li><li>• Analytical skills</li></ul>     |
| 2.       | <b>Absorption of Companies</b>  | Introduction , Meaning - Vendor and Purchasing Companies- Purchase Consideration, Accounting entries in the books of vendor Company and Journal entries and Preparation of Balance Sheet after Absorption in the books of      | <ul style="list-style-type: none"><li>• Conceptual understanding on the concept of Absorption of companies</li><li>• Practical application skills in the process of</li></ul> |

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|    |  | Purchasing Company  | accounting for Absorption  |
| 3. | <b>Accounting for Liquidation of Companies</b> | Meaning of Liquidation- Modes of winding up –<br>(a) Preparation of Liquidator final statement of Account (b) Preparation of Statement of Affairs and Deficiency Account. | <ul style="list-style-type: none"> <li>• Conceptual understanding on Liquidation of Companies</li> <li>• Practical application skills</li> </ul>         |
| 4. | <b>Forensic Accounting</b>                     | Introduction , Meaning , Objectives , Types of Forensic Accounting ,<br>Nature and key principles of forensic accounting<br>Ethical principles and responsibilities       | <ul style="list-style-type: none"> <li>• Conceptual skills</li> <li>• Acquisition of knowledge about forensic accounting and its implication.</li> </ul> |

### Teaching Methodology

| Topic No. | Total Lectures | Innovative methods to be used  | Film shows and AV Applications                 | Project   | Expected Outcome   |
|-----------|----------------|--|--|---|--|
| 1         | 14             | Case Study   | -----  | -----   | Developing understanding on accounting procedure for Holding companies                             |
| 2         | 14             | Case Study   | You Tube and other online platforms for videos | Case study analysis   | Conceptual understanding ,Practical application skills in the process of accounting for Absorption |
| 3         | 12             | Case Study , Simulative approach for mock liquidation of an Indian Company based on financial statements | Online Videos for cases                        | Individual assignment<br>Preparation of Charts , PPT for the format of Statement of Affairs and Deficiency Account. | Practical understanding on Process of Liquidation on companies                                     |

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|---|----|------------|--|---------------------|--|
| 4 | 08 | Case Study | Online Videos on recent cases of Forensic Accounting | Case study Analysis | Updation of Knowledge on recent advances in the field of Accountancy |
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**References :**

List of Books Recommended :-

1. Advanced Accounts: By M.C. Shukla & S.P. Grewal (S.Chand & Co. Ltd.)
2. Advanced Accountancy: By S.P. Jain & K.N. Narang ( Kalyani Publishers)
3. Advanced Accountancy: By R.L.Gupta & M. Radhaswamy (Sultan Chand & Sons)
4. Company Accounts: By S.P. Jain & K.L. Narang
5. Advanced Accounts: By Paul Sr.
6. Corporate Accounting: By Dr. S. N. Maheshwari & S.K. Maheshwari
7. Corporate Accounting: By Mukharji & Hanif

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